



## **Arlington Affordable Housing Trust Fund Board of Trustees**

Date: January 26, 2023  
Time: 7:00 – 8:30 PM  
Location: Conducted via remote participation

**Attendees:** Karen Kelleher, Jaclyn Pacejo, Vicmarie Santiago, Neal Mongold, Jack Nagle, Eric Helmuth, Kelly Lynema

**Guests:** Don Seltzer

### **DRAFT Minutes**

#### **1. Election of Officers**

Neal nominated the following slate of candidates: Karen as Chair, Phil Tedesco as Vice Chair, Jaclyn as the Treasurer. Eric seconded. All in favor.

#### **2. Action Plan Implementation Updates**

- **AHA and HCA Needs and Planned Projects:** Neal reported that HCA is hopeful there would be a \$25,000 award for a capital needs assessment. HCA has some planning to do to prepare for this; the Trust needs to develop some forms to understand funding sources, timeline, etc. Jack noted that a \$25,000 grant would be sufficient to study a building, but likely not the entire AHA inventory. He will compile an estimate for a needs assessment for the entire portfolio. Trustees also met with HCA and AHA re: upcoming projects. For the HCA, the Trust is considering a pre-development loan for 10 Sunnyside (estimated \$250,000).
- **CPA Funding:** Karen and Jaclyn finalized the presentation and Karen and Kelly presented to the CPA Committee on 1/25. We will hear about a potential award in February. The Trust was asked to consider whether we would fund some of the HCA's request, as the CPA Committee has more than \$1 million in additional requests beyond the funding they have available. Eric added that he reviewed other proposed projects; the CPA committee wants to help the HCA show that they have multiple funding sources, and increase the committee's comfort in funding the trust to thereby fund local projects.
- **Acquisition and Conversion Subsidy Program:** this would be for acquisition of existing units and converting them to affordable housing, and is an opportunity to use ARPA funds. Will require meaningful development of a program for it to be realistic. Beth Elliot is working on this and may want some support. Jack said he would be interested in working with Beth on this and will reach out. In 2023, the Trust also wants

to create a process for working with other developers in collaboration with the HCA to identify sites and invest in projects.

- **RFI/RFQ from affordable housing developers:** this involves reaching out to affordable housing developers. Bev Gallo could help with this but is not available until February. Kelly will check the remaining funding in Bev's contract.
- **Affordable Housing Overlay Bylaw:** Phil, Karen, Kelly, Eric have charted a path forward which involves Goulston and Storrs supporting the work on a pro bono basis. This would move forward simultaneously with the MBTA Communities planning process. The CPA Committee, several Select Board and ARB members, have indicated a desire to do this. The client would be a small citizen working group who could develop a bylaw to bring to stakeholders for feedback and input. This would start from what Somerville and Cambridge have done and adjust it for Arlington. The timing would bring this to a Special Town Meeting in the Fall. Citizen body would include representation of the ARB, Trust, maybe HCA. This structure enables the Trust to focus on consensus building and working on other priorities simultaneously. Would go before Special Town Meeting in the fall.
- **Affordable ADU Program:** Jaclyn has been working on this; the Trust has estimated \$150,000-300,000 for this program. She's been working with someone on the Advisory Board to understand how such a program would work in Arlington. She asked the Trust for clarification on several items:
  - Is \$75k is a good loan/grant amount for the program? Other programs are lower, however housing costs are higher here. This would be a maximum award, not an automatic award. Neal noted that the cost of creating an ADU depends on the configuration of the property and whether a house needs to be divided or if an entirely separate unit needs to be built. Jaclyn added that this is to encourage ADUs to be built, not to completely finance the development. Some communities also separate funding into soft costs (planning, permitting) vs. construction. Kelly will provide info on the two local ADUs.
  - A small working group of Jaclyn, Karen, and Kelly will meet to review questions and research recommendations. Jaclyn will share her document with the Trust.
- **Affordable Housing Inventory:** Kelly will pull the scope of work for Liz Rust and share with the Trust for comments. The inventory will help the Trust understand the status of the properties and begin to anticipate upcoming capital needs. Kelly and Vicki will collaborate on a form or document that property owners can complete.
- **Affordable Homeownership Program:** Most immediate project is to support the development of 1021-1027 Mass Ave, which will provide 13 affordable homeownership units. Nothing else is in the pipeline right now.
- **Real Estate Transfer Fee:** Karen is working on getting the meeting scheduled. The statewide organization has a statewide transfer fee bill going forward; the city of Boston is ambitious about passing that.
- **Other Town Funding Sources** (ARPA, CDBG, Short-term Rental and Cannabis revenue)
  - Kelly will provide an update on revenue streams from rental fees and cannabis tax revenue in February.
  - ARPA Deployment: The Trust must submit a proposal to the Town Manager by the first week of February for how they propose to allocate the \$3m in ARPA

funds for affordable housing production; funds must be encumbered (or under agreement) by December 2023.

- Private giving strategies: HCA is a CDC and has access to community access tax credit (50% tax credit); roughly \$200,000 is raised on an annual basis. Trustees will postpone this project until later this year.

### 3. Sources and Uses

#### **Uses/Projects to be Implemented (based on Affordable Housing Action Plan)**

Affordable Housing Inventory:	\$	10,000 (consulting)
Grants for Capital Needs Assessments	\$	100,000 (grants)
Predevelopment loan to HCA (Sunnyside)	\$	250,000 (loan/grant)
Affordable ADU Subsidy Program	\$	150,000 (loans/grants)
Existing property acquisition/conversion subsidy program	\$	3,000,000 (loans/grants)
Affordable developer RFI/RFQs	\$	10,000 (consulting)
Communications, audit, other admin costs	\$	25,000
<b>Total</b>	<b>\$</b>	<b>3,520,000</b>

#### **Sources Currently Available / Projected**

Prior Developer Payments:	\$	160,090
FY 23 Community Preservation Act Grant:	\$	250,000
FY 24 Community Preservation Act Grant:	\$	250,000
Total (currently available/requested):	\$	660,000
<b>Total with \$3m ARPA funding:</b>	<b>\$</b>	<b>3,660,000</b>

ARPA funding has the most immediate deadline, and may pair best with HCA projects, affordable ADU program, and acquisition opportunities program.

### 4. Community Outreach

Karen said she would love to have a trustee who takes primary responsibility for working with Rebecca Gruber (Community Outreach Chair). Right now there is a display at the library; Marisa and Rebecca assembled it using materials from the Action Plan. Karen met with Elizabeth Dray—she had reached out about the affordable housing overlay and was very supportive. Karen offered to go to an Arlington Fights Racism meeting to discuss the Action Plan and how affordable housing supports racial equity.

### 5. Administrative items:

2023 Meeting Schedule: Fourth Thursday of the Month: Kelly will finalize the schedule and send meeting invitations.

### 6. New Business

Neal suggested that the Trust may want to do some brainstorming about way of keeping rental units in existing and older multifamily apartment buildings (e.g., naturally occurring affordable units) affordable. Similar study could be made for condo units in older multifamily buildings.

The Trust also discussed the need for a housing planner in DPCD, and how to bring this suggestion to the DPCD Director and the Town Manager. Eric noted that the Town Manager's budget has just been presented, so getting something together quickly is critical if the Trust wants to move forward with this for 2023 Town Meeting. He also advised that if there was a way to make this position revenue producing (generating grants, opportunities for investment, etc.), that would make it more compelling.

**Upcoming Trust Meetings:** February 23, March 23, April 27, May 25, June 22, July 27, August 24, September 28, October 26, November 23, December 28